

Attachment 2 (c)



Direct Tel: 212.698.3581
Direct Fax: 212.698.3599
rzerbe@dechert.com

August 8, 2005

HEALY & BAILLIE, LLP

AUG 8 2005

BY HAND DELIVERY

MANAGING CLERK'S DEPT.
RECEIVED BY HAND

BOSTON

David Jensen, Esq.
Healy & Baillie, LLP
61 Broadway, 32nd Floor
New York, NY 10006

BRUSSELS

CHARLOTTE

FRANKFURT

HARRISBURG

HARTFORD

Edward C. Radzik, Esq.
Donovan Parry McDermott & Radzik
Wall Street Plaza
88 Pine Street, 21st Floor
New York, NY 10005

LONDON

Re: Iroquois Gas Transmission System L.P. v. Associated Electric & Gas Insurance Services, Ltd., Certain Underwriters at Lloyd's, Aon Risk Services of Texas, Inc. and American Home Assurance Co., 05 Civ. 2149 (JSR)

LUXEMBOURG

MUNICH

Gentlemen:

NEW YORK

In connection with the deposition of James Montano of Aon Risk Services of Texas, Inc. ("ARS Texas"), I am enclosing relevant documents from the claim file of ARS Texas on the notification provided on the hull and machinery policy for Horizon Offshore Contractors, Inc.

NEWPORT BEACH

PALO ALTO

This production is being made without waiver of the stay ordered by Judge Rakoff on July 22 in this matter. In addition, ARS Texas reserves all objections to the propriety of Plaintiff obtaining document production by means of a Rule 30(b)(6) notice of deposition.

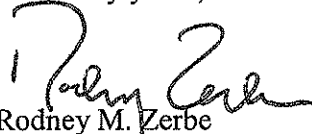
PARIS

PHILADELPHIA

PRINCETON

Very truly yours,

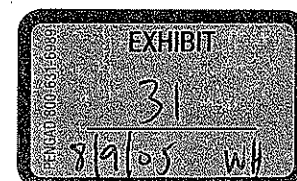
SAN FRANCISCO


Rodney M. Zerbe

WASHINGTON

Encl.

cc: Charles E. Schmidt, Esq.
John Vayda, Esq.





Aon Risk Services

*Natural Resources
Group*

May 17, 2002

Mr. William L. Arnold, II
Horizon Offshore Contractors, Inc.
2500 City West Blvd., Suite 2200
Houston, Texas 77042

**Re: Certificate of Insurance
Iroquois Gas Transmission System, L.P.**

Dear Bill:

Further to our fax of today and as requested, enclosed please find three original certificates of insurance issued in favor of Iroquois Gas Transmission System, L.P.

We trust you will find the enclosed in good order. If you have any questions or concerns regarding this matter, please do not hesitate to contact our office.

Very truly yours,

Bernice A. Chaloupka
Senior Client Specialist

/bac

Enclosure

cc: Peter Mortlock, ARS
Marjorie Goodall, ARS
Jeff Kaufmann, Brockbank Internati
John Kirchhofer, Liberty Marine
Ann Chapman, AIMA
Walt Caskey, Navigators

ARS-TX 0001

Aon Risk Services of Texas, Inc.

2000 Bering Drive, Suite 900 • Houston, Texas 77057-3790 • tel: (713) 430-6000 • fax: (713) 430-6590

F:\CLIENTS\AON\Horizon Offshore\Correspondence\2002\May\05-17 ltr to BA - Iroquois.doc



Aon Risk Services

Natural Resources
Group

CERTIFICATE OF INSURANCE

DATE: May 17, 2002

CERTIFICATE ISSUED TO:

Iroquois Gas Transmission System, L.P.
Suite 600
One Corporate Drive
Shelton, CT 06484
Attn: Robert Yetton

This is to certify that the policies of insurance listed below have been effected for the insured named below for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

NAME OF ASSURED:

Horizon Offshore Contractors Inc. and/or
associated and/or affiliated and/or subsidiary companies

REFERENCE:

N/A

TYPE OF INSURANCE	POLICY NO.	POLICY PERIOD	AGREED VALUE OR LIMITS OF LIABILITY
A) Protection & Indemnity including Pollution as per Rules and Statutes for P&I of The Steamship Mutual Underwriting Association (Bermuda) Limited as modified by ORIGIN/AEGIS including other Marine Liabilities (including Maritime Employers Liability).	ARS-3175	20 FEB 2002 1 MAY 2003	US\$950,000 any one accident or occurrence excess of US\$50,000 any one accident or occurrence; subject to a general aggregate limit of US\$15,000,000.

Insured with: Associated Electric & Gas Insurance Services Limited (AEGIS)

B) Protection & Indemnity including Pollution as per Rules and Statutes for P&I of The Steamship Mutual Underwriting Association (Bermuda) Limited.	ARS-3176	20 FEB 2002 1 MAY 2003	As per the Rules and Statutes of The Steamship Mutual Underwriting Association (Bermuda) Limited excess of A) above.
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Insured with: The Steamship Mutual Underwriting Association (Bermuda) Limited

C) General Liabilities	ARS-3177	09 APR 2002 01 MAY 2003	US\$1,000,000 each occurrence US\$2,000,000 general aggregate US\$2,000,000 Prod/Comp Ops aggregate limit excess of US\$50,000 each occurrence.
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Includes Comprehensive Form; Premises/Operations; Explosion, Collapse and Underground Hazard; Contractual Liability, Broad Form Property Damage; Personal Injury; Cross Liability Clause.

ARS-TX 0002

Insured with: American Home Assurance Company

Aon Risk Services of Texas, Inc.

2000 Bering Drive, Suite 900 • Houston, Texas 77057-3790 • tel: (713) 430-6000 • fax: (713) 430-6590

*Aon Risk Services**Natural Resources
Group*Certificate of Insurance
May 17, 2002
Page 2

	TYPE OF INSURANCE	POLICY NO.	POLICY PERIOD	AGREED VALUE OR LIMITS OF LIABILITY
D)	U.S. Worker's Compensation/ Employers' Liability	WC 9303611-00	09 APR 2002 01 MAY 2003	Workers' Compensation – Statutory Employers' Liability – US\$1,000,000 each accident US\$1,000,000 each employee US\$1,000,000 policy aggregate
	Includes USL&H.			
	Insured with: Zurich American Insurance Company			
E)	Automobile Liability (US/Canada)	TAP 9303610-00	09 APR 2002 01 MAY 2003	US\$1,000,000 Bodily Injury and Property Damage Combined Single Limit
	Includes all Owned/Non-Owned/Hired automobiles.			
	Insured with: Zurich American Insurance Company			
F)	Automobile Physical Damage	TAP 9303610-00	09 APR 2002 01 MAY 2003	\$500 Deductible Comprehensive \$500 Deductible Collision any one accident or occurrence.
	Includes all Owned/Non-Owned/Hired automobiles.			
	Insured with: Zurich American Insurance Company			
G)	Excess Liabilities (including Excess Protection & Indemnity - Difference in Conditions with B) above	ARS-3177	09 APR 2002 1 MAY 2003	US\$10,000,000 any one accident or occurrence excess of scheduled underlying.
	Insured with: American Home Assurance Company			
H)	Excess Liabilities	ARS-3215	09 APR 2002 01 MAY 2003	US\$90,000,000 each occurrence excess of scheduled underlyings.
	Insured with:			
	20.00%	XL Specialty Insurance Company		
	25.00%	Liberty Insurance Underwriters		
	26.43%	American Home Assurance Company		
	28.57%	Navigators Insurance Company		
I)	Contractors Equipment	ARS-3246	01 MAY 2002 01 MAY 2003	US\$2,000,000 any one item in respect of Equipment and Property rented, purchased, leased, hired or operated by the Assured.
	Insured with: Underwriters at Lloyd's and certain insurance companies			

ARS-TX 0003

*Aon Risk Services**Natural Resources
Group*Certificate of Insurance
May 17, 2002
Page 3

TYPE OF INSURANCE	POLICY NO.	POLICY PERIOD	AGREED VALUE OR LIMITS OF LIABILITY
J) Hull & Machinery	ARS-3246	01 MAY 2002 01 MAY 2003	US\$ Per Schedule Attached
Insured with: Underwriters at Lloyd's and certain insurance companies			
K) Increased Value	ARS-3246	01 MAY 2002 01 MAY 2003	US\$ Per Schedule Attached
Insured with: Underwriters at Lloyd's and certain insurance companies			
L) War Risks and War P&I Risks	ARS-3246	01 MAY 2002 01 MAY 2003	US\$ Per Schedule Attached
Insured with: Underwriters at Lloyd's and certain insurance companies			

Subject always to policy terms, conditions and exclusions, Certificate Holder and its parental, partner, divisional, affiliate, or subsidiary companies and all employees thereof are named as Additional Assured but only insofar as required by signed written contract and only insofar as liability is assumed by the Assured under signed written contract.

Subject always to policy terms, conditions and exclusions, Waiver of Subrogation is granted in favor of Certificate Holder or its parental, partner, divisional, affiliate, or subsidiary companies and all employees thereof but only insofar as required by signed written contract and only insofar as liability is assumed by the Assured under signed written contract.

Subject always to policy terms, conditions and exclusions, Certificate Holder is named as Loss Payee but only insofar as required by signed written contract and only insofar as liability is assumed by the Assured under signed written contract.

Should any of the above described policies be canceled before the expiration date thereof, this agency on behalf of the issuing company(ies) will endeavor to mail 30* days' written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company(ies) or this agency.

* 7 days' notice in respect of War Risks and 10 days notice in respect of non-payment of premium.

The policies certified hereon are primary only insofar as liability is assumed by the Assured under signed written contract and subject always to policy terms, conditions and exclusions.

Several Liability Notice: The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

ARS-TX 0004

Aon Risk Services

*Natural Resources
Group*

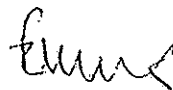
Certificate of Insurance
May 17, 2002
Page 4

This Certificate of Insurance is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate of Insurance does not amend, extend or alter the coverage afforded by the policy(ies) shown hereon.

Aon Risk Services of Texas, Inc. are not insurers hereunder, and Aon Risk Services of Texas, Inc. are not nor shall be in any way or to any extent liable for loss or claim whatsoever in connection with the policies evidenced hereon.

AON RISK SERVICES OF TEXAS, INC.

BY: _____

A handwritten signature in dark ink, appearing to be "E. M. S.", is written over the signature line.

ARS-TX 0005

*Aon Risk Services**Natural Resources
Group*Certificate of Insurance
May 17, 2002
Page 5

VESSEL SCHEDULE

Vessel	Hull & Machinery Agreed Value	Increased Value Agreed Value	War Risk Agreed Value
1. American Horizon	\$8,000,000	\$2,000,000	\$10,000,000
2. Atlantic Horizon	\$17,000,000	\$4,125,000	\$21,125,000
3. Brazos Horizon	\$8,000,000	\$2,000,000	\$10,000,000
4. Cajun Horizon	\$5,600,000	\$1,400,000	\$7,000,000
5. Canyon Horizon	\$19,200,000	\$4,800,000	\$24,000,000
6. Gulf Horizon	\$15,200,000	\$3,800,000	\$19,000,000
7. Horizon MB100	\$2,400,000	\$600,000	\$3,000,000
8. Lone Star Horizon	\$19,200,000	\$4,800,000	\$24,000,000
9. Pacific Horizon	\$24,000,000	\$6,000,000	\$30,000,000
10. Pearl Horizon	\$6,400,000	\$1,600,000	\$8,000,000
11. Pecos Horizon	\$16,000,000	\$4,000,000	\$20,000,000
12. Phoenix Horizon	\$12,000,000	\$3,000,000	\$15,000,000
13. Sea Horizon	\$20,000,000	\$5,000,000	\$25,000,000
14. Stephaniturn*	\$0	\$0	\$0

*on long term charter to others

ARS-TX 0006

CONVERSATION RECORD FOR FILE

Aon Risk Services

TALKED WITH Bill Arnold ☐ I PLACED CALL ☐ VOICE MAIL
 OF ☒ PARTY CALLED ☒ IN PERSON

DATE 1-23-03 TIME 10:30 ☒ AM
☐ PM

PREPARED BY B Chalupa
 PHONE NUMBER

RE:

CONVERSATION

Telecon @ Margie

needs certified copies of policies certified
to Insignia on COI

need to white out prem + rate

stamp Certified on each copy

maintain a copy for our file

send to Bill

REPLY OR ACTION REQUIRED/TAKEN

COVERAGE BOUND <input type="checkbox"/> YES <input type="checkbox"/> NO	EFFECTIVE DATES FROM: TO:	ACTION COMPLETED <input type="checkbox"/> YES <input type="checkbox"/> NO	DATE	<input type="checkbox"/> SUSPENSE DATE
		SIGNED		<input type="checkbox"/> FILE

CC:

ARS-TX 0006-A



Aon Risk Services

*Natural Resources
Group*

VIA HAND DELIVERY

January 24, 2003

Mr. Bill Arnold
Horizon Offshore Contractors, Inc.
2500 City West Blvd., Suite 2200
Houston, Texas 77042

**Re: Certificate of Insurance
Iroquois Gas Transmission System, L.P.
Certified Copies of Policies/Cover Notes**

Dear Bill:

Further to your telephone conversation with Marjorie Goodall on yesterday regarding the above, attached please find certified copies of the following policies/cover notes:

- ♦ P&I Aegis – ARS-3175
- ♦ P&I SSM – ARS-3176
- ♦ Excess Liabilities (\$140m xs \$10m) – ARS-3215
- ♦ Liabilities Package – ARS-3177
- ♦ Automobile – TAP9303610-00
- ♦ Workers' Compensation – WC9303611-00
- ♦ Marine Package – ARS-3246*

* Note that we have enclosed our Confirmation of Coverage as the policy is in the process of being issued.

For your convenience, we have also included a copy of the certificate of insurance for Iroquois Gas Transmission System, L.P.

We trust you will find the enclosed in good order. If you have any questions or concerns regarding this matter, please do not hesitate to contact our office.

Very truly yours,

Pamela Smith
Associate Client Specialist

Enclosure(s)

ARS-TX 0007

Aon Risk Services of Texas, Inc.

1330 Post Oak Blvd, Suite 900 • Houston, Texas 77056 • tel: (832) 476-6000 • fax: (832) 476-6590
11ustxhou2K1nsharedCLIENTSVANRHorizon OffshoreCorrespondence2003Jan 0311-24 Ltr to BA - Iroquois COI - Certified Policy
C:\aon\doc



Aon Risk Services
Natural Resources
Group

This insurance contract is with an insurer not licensed to transact insurance in this State and is issued and delivered as a surplus lines coverage pursuant to the Texas insurance statutes. The State Board of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage and this insurer is not a member of the property and casualty insurance guaranty association created under Article 21.28C, Insurance Code. Article 1.14-2, Insurance Code, requires payment of 4.85 percent tax on gross premium.

ARS-TX 0008

June 28, 2002

Aon Risk Services

*Natural Resources
Group*

IMPORTANT NOTICE

To obtain information or make a complaint:

You may contact Aon Risk Services of Texas, Inc. at:

2000 Bering Drive, Suite 900
Houston, Texas 77057-3790
Phone: 1-713-430-6000
Fax: 1-713-430-6590

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights, or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, Texas 78714-9104
FAX # (512) 475-1771

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim, you should contact Aon Risk Services of Texas, Inc. first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

ARS-TX 0009

June 28, 2002

AON**(CERTIFIED COPY)***Aon Risk Services**Natural Resources
Group*

Confirmation of Coverage

Per your instructions and based on the information you provided, Aon Risk Services of Texas, Inc., 2000 Bering Dr., Suite 900, Houston, Texas 77057 has effected insurance as follows:

INSURED'S NAME AND ADDRESS:

Horizon Offshore Contractors, Inc.
2500 CityWest Boulevard, Suite 2200
Houston, TX 77042

PERIOD:

From: 1 May 2002, 12:01 a.m. Local Standard Time
To: 1 May 2003, 12:01 a.m. Local Standard Time

In respect of Section 3:

Open cover to accept risks as may be declared during the period above subject to terms/conditions as within.

INTEREST/SUM INSURED:

Section 1

- A) Hull, machinery, equipment, appurtenances, gear, stingers, bury gear, cranes, derricks, remotely operated vessels etc., and everything connected therewith whether on board or not on board.
- B) Disbursements and/or Increased Value. Policy Proof of Interest, Full Interest Admitted, Without Benefit of Salvage.
- C) War etc. Risks Insurance including War Risks Protection & Indemnity Clauses (including crew)

Agreed Values/Insured Amounts as per schedules attached.

Section 2

- A) Onshore Real and/or Personal Property
- B) Miscellaneous Marine Equipment

Amounts as agreed at inception or as per wording (to be agreed) as per schedule attached.

Including Equipment and Property at risk to the Assured (whether rented, purchased, leased, hired or operated by the Assured and including property of others in the Care, Custody, Control of the Assured is responsible) subject to limit of liability of USD 2,000,000 any one item.

Subject to limit of liability USD 10,000,000 any one location per occurrence.

Aon Risk Services of Texas, Inc.

2000 Bering Drive, Suite 900 • Houston, Texas 77057-3790 • tel: (713) 430-6000 • fax: (713) 430-6590

ARS-TX 001

June 28, 2002

*Aon Risk Services**Natural Resources
Group***Section 3**

Builders Risks (open cover) covering - platforms and/or pipelines and/or risers and/or other marine construction work and/or salvage work including land fabrication and procurement. As may be declared and accepted by Leading Underwriters.

Limit: up to USD 20,000,000 (100% of Estimated Final Contract Value) any one declaration both sections separately, plus amounts as per policy wording any one accident or occurrence.

TRADING:

Worldwide subject to American Institute Trading Warranties Cl.210 (July 1, 1972) or held covered at rates to be agreed by Leading Underwriters only and War etc. risks world-wide subject to London Market War Risk Trading Warranties including any subsequent amendments thereto during the term of this policy.

Tows in excess 750 nautical miles or outside of Gulf of Mexico held covered at rate, terms and conditions to be agreed. Warranted Tug, Tow, Towage and Stowage arrangements approved by agreed surveyor hereunder and Warranted all recommendations complied with.

INSURING CONDITIONS:

As attached Slip No. LE0280715

PREMIUM:**ORDER HEREON:**

Section I - 100%
Section II - 100%
Section III - 63.5% of 100%

SECURITY:

See Attached

SEVERAL LIABILITY NOTICE (LSW 1001):

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

ARS-TX 0011

June 28, 2002

Aon Risk Services

*Natural Resources
Group*

CONTRACT OF INSURANCE TO BE ISSUED:

Insurance described herein has been effected, against which a Contract of Insurance will be issued and in the event of any inconsistency, the terms, conditions and provisions of the Contract of Insurance to be issued will prevail. This Confirmation of Coverage will be terminated as of its effective date by the issuance of the Contract of Insurance and the premium and charges shown herein shall be credited thereto.

STATEMENT OF CONNECTED INTERESTS

Aon Corporation has, through its subsidiaries made minority investments in certain Lloyds syndicates, which may be participants in this placement. These investments are subject to strict Lloyds regulations prohibiting any influence upon the business conduct of such syndicates.

CANCELLATION:

This Confirmation of Coverage may be cancelled by the Insured by surrender thereof to Underwriters and/or their representatives, or by mailing to Underwriters and/or their representatives, written notice stating when thereafter such cancellation shall be effective. This Confirmation of Coverage may also be cancelled by the Insurer(s) or by Aon Risk Services of Texas, Inc. on their behalf by mailing to the Insured at the address shown herein or last known address, written notice stating when, in accordance with the number of days notice for cancellation to be provided in the contract of insurance to be issued, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date stated in the notice shall become the termination date of this Confirmation of Coverage. Delivery of such written notice by the Insured, the Insurer(s) or Aon Risk Services of Texas, Inc. shall be equivalent to mailing. Cancellation shall be in accordance with the terms and conditions of the Contract of Insurance to be issued.

INSURER'S HEREUNDER:

It is expressly understood and agreed by the Insured by accepting this Confirmation of Coverage, that Aon Risk Services of Texas, Inc. is not an Insurer hereunder and that Aon Risk Services of Texas, Inc. shall not be in any way or to any extent liable for any loss or claim whatsoever, but that the Insurers hereunder are those individual Insurance Companies and/or Underwriters, whose names appear herein.

For And On Behalf Of:

AON RISK SERVICES OF TEXAS, INC.

By: _____


Authorized Representative

ARS-TX 0012

June 28, 2002

Aon Risk Services
Natural Resources
Group

SECURITY:

Section IA and IB:

<u>UNDERWRITER</u>	<u>PERCENTAGE WRITTEN</u>
Underwriters at Lloyd's Syndicate No. 2020	15.0%
Underwriters at Lloyd's Syndicate No. 510	7.5%
Underwriters at Lloyd's Syndicate No. 2791	5.0%
Underwriters at Lloyd's Syndicate No. 457	10.0%
 Zurich Specialties London Ltd.	 7.5%
Great Lakes Reinsurance (UK) Ltd.	7.5%
 Underwriters at Lloyd's Syndicate No. 2323	 2.5%
Underwriters at Lloyd's Syndicate No. 2987	4.0%
 International Company of Hannover	 4.5%
 Underwriters at Lloyd's Syndicate No. 1183	 5.0%
Underwriters at Lloyd's Syndicate No. 382	1.5%
 GE Specialty (UK) Ltd. via JLT Risk Solutions Limited	 20.0%
 Continental Insurance Company via Marine Office of America/CNA	 5.0%
 American Employer's Insurance Company	 1.5%
Fireman's Fund Insurance Company	1.3%
Markel Insurance Company	1.7%
Royal Insurance Company	0.5%
via Gulf Coast Marine, Inc.	100.0%

ARS-TX 0013

June 28, 2002

Aon Risk Services

*Natural Resources
Group*

SECURITY:

Section IC:

UNDERWRITER

**PERCENTAGE
WRITTEN**

Underwriters at Lloyd's Syndicate No. 2020	20.0%
Underwriters at Lloyd's Syndicate No. 510	7.5%
Underwriters at Lloyd's Syndicate No. 2791 via JLT Risk Solutions Limited	5.0%
Zurich Specialties London Ltd.	7.5%
Underwriters at Lloyd's Syndicate No. 2323	2.5%
Underwriters at Lloyd's Syndicate No. 2987	4.0%
International Company of Hannover	4.5%
Underwriters at Lloyd's Syndicate No. 1183	12.5%
Underwriters at Lloyd's Syndicate No. 382	6.5%
GE Specialty (UK) Ltd. via JLT Risk Solutions Limited	<u>20.0%</u>
	100.0%
Continental Insurance Company via Marine Office of America/CNA	5.0%
American Employer's Insurance Company	1.5%
Fireman's Fund Insurance Company	1.3%
Markel Insurance Company	1.7%
Royal Insurance Company	<u>0.5%</u>
via Gulf Coast Marine, Inc.	100.0%

ARS-TX 0014

June 28, 2002

*Aon Risk Services**Natural Resources
Group*SECURITY:Section IIAUNDERWRITERPERCENTAGE
WRITTEN

Underwriters at Lloyd's Syndicate No. 2020	15.0%
Underwriters at Lloyd's Syndicate No. 510	7.5%
Underwriters at Lloyd's Syndicate No. 2791	5.0%
Underwriters at Lloyd's Syndicate No. 457	10.0%
Zurich Specialties London Ltd.	7.5%
Great Lakes Reinsurance (UK) Ltd.	7.5%
Underwriters at Lloyd's Syndicate No. 2323	2.5%
Underwriters at Lloyd's Syndicate No. 2987	4.0%
International Company of Hannover	4.5%
Underwriters at Lloyd's Syndicate No. 1183	5.0%
Underwriters at Lloyd's Syndicate No. 382	1.5%
Via JLT Risk Solutions Limited	
Continental Insurance Company	5.0%
via Marine Office of America/CNA (H1005468)	
Birmingham Fire Insurance Company of PA	25.0%
via Starr Tech (ST2607266)	
	<hr/>
	100.0%

ARS-TX 0015

June 28, 2002

*Aon Risk Services**Natural Resources
Group***SECURITY:****Section IIB****UNDERWRITER****PERCENTAGE
WRITTEN**

Underwriters at Lloyd's Syndicate No. 2020	15.0%
Underwriters at Lloyd's Syndicate No. 510	7.5%
Underwriters at Lloyd's Syndicate No. 2791	5.0%
Underwriters at Lloyd's Syndicate No. 457	10.0%
 Zurich Specialties London Ltd.	 7.5%
Great Lakes Reinsurance (UK) Ltd.	7.5%
 Underwriters at Lloyd's Syndicate No. 2323	 2.5%
Underwriters at Lloyd's Syndicate No. 2987	4.0%
 International Company of Hannover	 4.5%
 Underwriters at Lloyd's Syndicate No. 1183	 5.0%
Underwriters at Lloyd's Syndicate No. 382	1.5%
 GE Specialty (UK) Ltd. via JLT Risk Solutions Limited	 20.0%
 Continental Insurance Company via Marine Office of America/Can	 5.0%
 American Employer's Insurance Company	 1.5%
Fireman's Fund Insurance Company	1.3%
Markel Insurance Company	1.7%
Royal Insurance Company	0.5%
via Gulf Coast Marine, Inc.	
	<hr/> 100.0%

ARS-TX 0016

June 28, 2002

*Aon Risk Services**Natural Resources
Group*SECURITY:Section IIIUNDERWRITERPERCENTAGE
WRITTEN

Underwriters at Lloyd's Syndicate No. 2020	15.0%
Underwriters at Lloyd's Syndicate No. 510	7.5%
Underwriters at Lloyd's Syndicate No. 2791	5.0%
Underwriters at Lloyd's Syndicate No. 457	10.0%
Zurich Specialties London Ltd.	7.5%
Great Lakes Reinsurance (UK) Ltd.	7.5%
Underwriters at Lloyd's Syndicate No. 2323	2.5%
Underwriters at Lloyd's Syndicate No. 2987	4.0%
International Company of Hannover via JLT Risk Solutions Limited	4.5%
	<hr/> 63.5%

ARS-TX 0017

June 28, 2002

*Aon Risk Services**Natural Resources
Group***LE0280715****Type:** Package Policy.**Form:** MAR91. (English Jurisdiction deleted).**Assured:** Horizon Offshore Contractors, Inc. and/or as per Named Assured Clause attached and/or as may be agreed.Address: 2500 City West Boulevard, Suite #2200, Houston, Texas
77042, U.S.A.**Vessels:** As per schedules attached.
Including if required new and/or acquired and/or managed and/or chartered vessels, from time at risk to the Assured or declared hereto by the Assured, including increase in values/amounts, automatically held covered, subject to a maximum individual combined vessel value/amount not exceeding top value/sum insured hereon and further subject to terms, conditions and rates as comparable vessels insured or as may be agreed by Underwriters.**Period:** 12 months at 00.01 a.m. 1 May, 2002 Local Standard Time and/or date to be agreed Leading Underwriters only.

In respect of Section 3:-
 Open cover to accept construction and/or installation work as declared (whether directly exposed or not) for which the Assured is responsible and which commences during the period as above including all refurbishment, pre-fabrication, load out, transportation, installation and maintenance and until final completion and operational acceptance by Client and/or Customer and for a further discovery period not exceeding 12 months from such acceptance. However, in the event the Assured hereon does not renew beyond above dates for coverage under Sections 1, 2 and 3, notice of cancellation is deemed given by Underwriters in respect of all declarations (except for those for which construction is completed in which case maintenance or discovery period up to policy limit but not exceeding 60 days after expiry date) attaching to this section from the expiry of such notice.

Interest/Summs**Insured:** Section 1

- A) Hull, machinery, equipment, appurtenances, gear, stingers, bury gear, cranes, derricks, remotely operated vessels, and everything connected therewith whether on board or not on board.

ARS-TX 0018

June 28, 2002

*Aon Risk Services**Natural Resources
Group*

- B) Disbursements and/or Increased Value. Policy Proof of Interest, Full Interest Admitted, Without Benefit of Salvage.
- C) War etc. Risks Insurance including War Risks Protection & Indemnity Clauses (including crew)

Agreed Values/Insured Amounts as per schedules attached.

Section 2

A) Onshore Real and/or Personal Property

B) Miscellaneous Marine Equipment.

Amounts/values as agreed at inception as per schedule attached.

Including Equipment and Property at risk to the Assured (whether rented, purchased, leased, hired or operated by the Assured and including property of others in the Care, Custody, Control of the Assured is responsible) subject to limit of liability of USD 2,000,000 any one item.

Subject to limit of liability USD 10,000,000 any one location per occurrence.

Section 3

Builders Risks (open cover) covering - platforms and/or pipelines and/or risers and/or other marine construction work and/or salvage work including land fabrication and procurement. As may be declared and accepted by Leading Underwriters.

Limit: up to USD 20,000,000 (100% of Estimated Final Contract Value) any one declaration both sections separately, plus amounts as per policy wording any one accident or occurrence.

Trading:

Worldwide subject to American Institute Trading Warranties Cl.210 (July 1, 1972) or held covered at rates to be agreed by Leading Underwriters only and War etc. risks world-wide subject to London Market War Risk Trading Warranties including any subsequent amendments thereto during the term of this policy.

Tows in excess 750 nautical miles or outside of Gulf of Mexico held covered at rate, terms and conditions to be agreed. Warranted Tug, Tow, Towage and Stowage arrangements approved by agreed surveyor hereunder and Warranted all recommendations complied with.

Conditions: Section 1

A) Subject to American Institute Hull Clauses (June 2, 1977) Cl.A1B amended to all risks of physical loss or physical damage.

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Lines 23 and 24 deleted and replaced by:

Should the vessel at the expiration date of the policy be in distress, she shall, provided previous notice be given to Underwriters hereon, be held covered until arrival at safe port.

Line 63 words from "nor shall the vessel" through to word "waters" on line 64 and lines 158-184 are deleted.

Including Collision and Tower's Liability amended to include collision and/or contact with fixed and floating objects per lines 78-111 of the American Institute Tug Form (August 1, 1976) Cl.A230, with line 79 amended by adding words "or contact" after word "collision" for separate minimum limit of USD 1,000,000 each accident or occurrence or hull value whichever the greater.

In respect of Collision Liability arising from vessel's equipment (e.g. floating stingers), it is agreed that such equipment is deemed part of vessel to which it is currently or previously assigned.

Deductibles:

USD 500,000 each accident or occurrence including total loss.

Subject to Annual Aggregate deductible of USD 1,500,000 excluding total loss (Sections 1 & 2), to be reviewed by Leading Underwriters following a change in the fleet schedule hereon.

In respect of Assured's operations with Chevron USA deductibles to be shown as a maximum of USD 25,000 subject to Indemnity Clause as attached.

In consideration of the premium charged including cargo risks hereon on miscellaneous property including property separated from vessels, in transit, storage etc. subject to a separate limit of USD 5,000,000 any one accident or occurrence subject to Institute Cargo Clauses (A) 1/1/82 Cl.252, Institute Cargo Clauses (Air) 1/1/82 Cl.259 and Institute Strikes Clauses (Cargo) 1/1/82 Cl.256, with English Law and Practice deleted on all clauses.

Deductible USD 75,000 any one accident or occurrence.

Institute War Clauses (Cargo) 1/1/82 Cl.255 without deductible.

B) Increased Value Amount against Actual and/or Constructive and/or Compromised and/or Arranged Total Loss including General Average, Salvage, Salvage Charges, Sue & Labour and Running Down Clause subject to American Institute Increased Value and Excess Liabilities Clauses (November 3, 1977) Cl.A175 amended as Hull section hereon and to follow settlement thereof where applicable.

C) Including American Institute Hull War Risks and Strikes Clauses (December 1, 1977) Cl.A237, American Hull Insurance Syndicate Addendum to American Institute Hull War Risks and Strikes Clauses (December 1, 1977) (April 1, 1984) with waiting period in clause 3 amended to six (6) months and words "or deliberate act of person or persons" added after the word operations and further amended to include

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Group*

Nationalization 100% without waiting period and Deprivation in respect of units/locations scheduled at inception, otherwise to be agreed.

Notice period in respect of war and terrorism amended to 48 hours.

Including Terrorist Risks Wording as LPO 437 (4/82), Old Mines Clause, Blocking and Trapping Risks Conditions as LPO 444.

Subject to Onus of Proof and Confidentiality wording in respect of Confiscation, Nationalization, Expropriation and Deprivation only.

War, Confiscation, Nationalization, Expropriation and Deprivation exposures to be agreed at additional premium to be agreed Leading Underwriters.

American Institute S.R. & C.C. Endorsement (Hulls) September 8, 1959 CIA503.

Including War etc. Risks Protection and Indemnity up to hull agreed value or USD 1,000,000 whichever the greater also applicable to vessels covered under Assured's Club entry.

Missing Vessels Clause.

General Section 1 Conditions

Agree in respect of bareboat chartered material barges deductible USD 100,000 excluding Total or Constructive Total Loss for vessels valued less than USD 1,000,000 but USD 250,000 excluding Total or Constructive Total Loss all other vessels. Full annual premium if lost.

if including Protection and Indemnity as SP 23 (excluding crew and employees of the Assured). Including amendments thereto as required by contract in respect of work for Chevron USA Inc., subject to separate minimum limit USD 1,000,000 each accident or occurrence and deductible USD 100,000 any one occurrence.

Including Removal of Wreck/Debris Clause (including legal and contractual) but always excluding clean up and containment of seeping and polluting substances, for separate limit USD 1,000,000 any one accident or occurrence, deductible USD 100,000 any one accident or occurrence.

Cancelling Returns Only, notwithstanding C.R.O. basis, for units projected to be idle for periods greater than 90 days or units undergoing upgrade modification or cold stacked units, liberty is granted to the Assured to declare such risks on port risks/limited navigation basis returning daily pro rata not under repair or daily pro rata if under repair.

Reactivation Clause to be agreed.

General Average, Salvage, Salvage Charges and Sue & Labour up to Agreed value and such limit in addition - final limit to be agreed by Leading Underwriters (combined single limit over all 3 sections).

Warranted existing class maintained. However, it is noted that, where and as applicable due to the non-operational status and/or type and/or geographical limits of operation and navigation of a scheduled vessel, a United States Coast Guard Certificate of Inspection or a United States Coast Guard Letter of Compliance or a

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Load Line Certificate shall satisfy the requirements of any Classification requirement herein. It is further noted that any such Classification requirement shall not apply to any vessels where size and/or type and/or navigational operation do not require inspection and/or load line certification from the appropriate regulatory agency.

Including Institute Clauses for Builders Risks Clauses 1/6/88 Cl.351 (English Law and Practice clause deleted) in respect of refitting, repair of vessel(s) as applicable, but not to the extent of restricting coverage afforded herein, with option to suspend coverage hereunder for period(s) as may be agreed, subject automatic reattachment upon completion to be agreed, returning pro rata status at inception premium, if above repair work etc. covered elsewhere. No new buildings attaching hereunder or to be agreed Leading Underwriters, excluding latent defect.

Provision to move equipment from vessel to vessel and/or as required.

Assignment and/or Mortgagees and/or Loss Payable Clause, as agreed Leading Underwriters.

Section 2

A) Against all risks of direct physical loss or physical damage including fire and extended all risks coverage, to the property from any external cause per wording to be agreed leading Underwriter.

B) Against all risks of direct physical loss or physical damage including fire and extended all risks coverage, to the equipment from any external cause per wording to be agreed leading Underwriter

The subject matter insured under this section is covered whilst in use or otherwise on land, in air or afloat.

Both A and B)

Replacement Cost Basis, New for Old.

Including Removal of Debris but always excluding clean up and containment of seeping and polluting substances and for an additional USD 1,000,000 limit, subject to a deductible of USD 100,000 any one accident or occurrence.

Deductible 5% of value subject minimum USD 50,000 each accident or occurrence. Subject to Annual Aggregate Deductible as Section 1.

Property and/or equipment insured hereunder whilst stored, in transit or otherwise, also subject Institute Cargo Clauses (A) 1/1/82 Cl.252, Institute Cargo Clauses (Air) 1/1/82 Cl.259 and Institute Strikes Clauses (Cargo) 1/1/82 Cl.256 to extent not restricting coverage otherwise afforded herein, with English law and practice deleted on all clauses. Deductible as above.

Institute War Clauses (Cargo) 1/1/82 Cl.255 without deductible.

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Group*

Notice period in respect of war and terrorism amended to 48 hours.

Confiscation and Expropriation wording LPO 324 (8/71) including Nationalisation and Deprivation Clauses to be agreed.

Section 3

As per WELCAR2001 wording with following amendments:

Named Assured hereon covered Principal Assured.

Clause 9, Sue and Labour Clause (page 15): "25% of the scheduled value" amended to "25%" of the Full Contract Value.

Clause 11, Removal of Wreck, Wreckage and/or Debris (page 16): "25%" amended to USD 1,000,000 any one accident or occurrence.

Clause 12, Tests, Leak and/or Damage Search Costs (page 16): (Amount) amended to "10%" of the Full Contract Value or USD 1,000,000 whichever the greater.

Clause 13, Stand-by Charges (page 16): (Amount) amended to "10%" of the Full Contract Value or USD 1,000,000 whichever the greater.

Clause 17, Forwarding Charges (page 19): (Amount) amended to "10%" of the Full Contract Value or USD 1,000,000 whichever the greater.

Discovery 12 months.

Including Endorsement 1 - Defective Part Exclusion Buy-Back at rate as may be agreed each declaration.

Excluding faulty welds as per wording.

Agree provide Seepage and Pollution cover hereunder in respect of Assured's Builders Risks projects as required subject prompt advice to Underwriters and for limit up to USD 20,000,000 each occurrence per project as declared and agreed each declaration by leading Underwriters.

This section is to be primary to any other insurance purchased by the Assured in respect of projects as declared where full contract value is covered hereunder only.

Including Nationalisation and Deprivation and Terrorist Risk Wording LPO 437 (4/82) to be agreed subject to paragraph below.

In respect of War, Strikes & Political Risks – to be agreed.

Notwithstanding anything contained herein the coverages included above in respect of property insured hereunder is included in coverage hereunder until the completion and acceptance by the Assured's client of the project, including pipelines and associated equipment whilst being laid and work to/onboard any fixed or floating platform, other than in respect of property/equipment fixed onland, on a fixed structure

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Group*

or on the sea-bed for which coverage is held covered subject to the attached War Direct Physical Damage Wording and subject to the attached War Direct Physical Damage Wording LSW667 (Modified) as attached subject to an aggregate limit in respect of any one country (being the Full Contract Value of the project but always subject to an overall aggregate limit of USD 10,000,000 any one country) subject to advice to Underwriters prior to project commencement and subject to Additional Premium at rate to be agreed leading Underwriters only.

Notice period in respect of war and terrorism amended to 48 hours.

General Conditions (in respect of All Sections) – all to be agreed

Paramount Deductible Clause (applicable to Sections 1 and 2 only).

Preferred Attorneys, Adjusters, Surveyors schedules to be agreed.

Cross Liability Clause as required by contract.

Deliberate Damage Clause.

Institute Radioactive Contamination Exclusion Clause 1/10/90 Cl.356 dated 1st October 1990 including USA Endorsement dated 13th March 1991.

Other than Owners Limitation Clause deleted where required by written contract.

It is understood and agreed that where required by contract, bid or work order, Additional Assured and/or Waivers of Rights of Subrogation are automatically included hereunder, subject further to Notice Clauses as may be required by written contract only and that coverage provided hereunder shall be primary in respect of any coverage carried by said additional assureds where required by written contract.

Conflicting Conditions Clause to be agreed Leading Underwriter.

LSW 1001 Several Liability Notice.

Institute Service of Suit Clause (USA) 1/11/92 Cl.355.

Additional Vessels Clause.

Privilege to Charter Clause.

Including in addition Salvage, Salvage Charges, Sue and Labour and General Average payable in full irrespective of contributory value.

Seaworthiness Admitted.

Liberty to tow or be towed.

Unintentional Errors and Omissions in Reporting Clause.

Port of Refuge Expenses Clause.

Assignment and/or Mortgagees and/or Loss Payable Clause, as agreed Leading Underwriter.

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*Natural Resources
Group*

Permission for crew to effect repairs, with those costs directly related to insured losses to be included in any claim, subject to approval of underwriters adjuster/surveyor.

Including Protective Co-Insurance Clauses and Loss Payees as agreed Leading Underwriter.

Permission granted to engage in any legal trade including carriage of explosives which warranted carried in accordance with IMO Coastguard regulations.

Agree 2% allowance on Hull/Increased Value premiums in respect of survey fees on an actual incurred basis, subject invoices.

Direct or Reinsurance as agreed.

Oil Pollution Act Disclaimer Clause.

Subject U.S. Jurisdiction & Law and Practice.

Contracts (TP) Act clause to be agreed.

LSW 3000 (15 days)

Full wording to be agreed.

Subject full operational review by Global Maritime, with scope of review to be agreed within 90 days of attachment, and subject all recommendations complied with.

Premium:

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*Aon Risk Services**Natural Resources
Group*HORIZON OFFSHORE CONTRACTORS, INC.SECTION 1 - HULL AND MACHINERY WORKSHEET

VESSEL	HULL USD	HULL RATE	HULL PREMIUM USD
AMERICAN HORIZON	8,000,000		
PHOENIX HORIZON	12,000,000		
CAJUN HORIZON	5,600,000		
GULF HORIZON	15,200,000		
CANYON HORIZON	19,200,000		
LONE STAR HORIZON	19,200,000		
PEARL HORIZON	6,400,000		
STEPHANITURM*	15,200,000		
*HORIZON MB100	2,400,000		
ATLANTIC HORIZON	17,000,000		
PACIFIC HORIZON	24,000,000		
PECOS HORIZON	16,000,000		
SEA HORIZON	20,000,000		
BRAZOS HORIZON	8,000,000		
	188,100,000		

* On long term charter – to attach with effect from date to be agreed Leading Underwriters.

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*Aon Risk Services**Natural Resources
Group*HORIZON OFFSHORE CONTRACTORS, INC.
SECTION 1 - DISBURSEMENTS WORKSHEET

VESSEL	INCREASED VALUE USD	IV RATE	IV PREMIUM USD
AMERICAN HORIZON	2,000,000		
PHOENIX HORIZON	3,000,000		
CAJUN HORIZON	1,400,000		
GULF HORIZON	3,800,000		
CANYON HORIZON	4,800,000		
LONE STAR HORIZON	4,800,000		
PEARL HORIZON	1,600,000		
STEPHANITURM*	3,800,000		
HORIZON MB100	600,000		
ATLANTIC HORIZON	4,125,000		
PACIFIC HORIZON	6,000,000		
PECOS HORIZON	4,000,000		
SEA HORIZON	5,000,000		
BRAZOS HORIZON	2,000,000		
	47,025,000		

*On long term charter – to attach with effect from date to be agreed Leading Underwriters.

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Natural Resources
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<u>Agreed</u> <u>Value</u>	<u>War etc.</u> <u>Rate</u>
-------------------------------	--------------------------------

* On long term charter

WHSWNWFS1\SYSTEMCLIENTS\AON\Horizon Offshore\Policy\etaps 2248

June 28, 2002

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*Aon Risk Services**Natural Resources
Group*HORIZON OFFSHORE CONTRACTORS, INC.VESSEL SCHEDULE

	<u>Total Value</u>	<u>Year Built (Re)</u>	<u>GRT</u>	<u>SIZE</u>	<u>TYPE</u>
<u>Horizon Offshore</u>					
American Horizon	USD 10,000,000	1960/64/86	1,762	180 x 85	Lay/Bury Barge
Phoenix Horizon	USD 15,000,000	1977/82/96	4,988	300 x 90	Derrick/Lay Barge
Cajun Horizon	USD 7,000,000	1980	514	140 x 46	Lay Barge
Gulf Horizon	USD 19,000,000	1968	3,859	350 x 72	Lay Barge
Canyon Horizon	USD 24,000,000	1966	5,686	330 x 90	Bury Barge
Lone Star Horizon	USD 24,000,000	1961/73	3,774	320 x 90	Lay Barge
Pearl Horizon	USD 8,000,000	1973	1,063	184 x 45	Dive Support Vessel
Stephaniturm	USD 19,000,000	1978	1,954	230 x 45	Dive Support Vessel
Horizon MB100	USD 3,000,000	1982/83/96	5,950	328 x 100	Cargo Barge
Atlantic Horizon	USD 21,125,000	1982/98	6,103	420 x 98	Derrick Barge
Pacific Horizon	USD 30,000,000	1972/74/98	7,218	350 x 100	Derrick Barge
Pecos Horizon	USD 20,000,000	1970	2,688	256 x 72	Pipe Bury Barge
Sea Horizon	USD 25,000,000	1977	6,889	361 x 98	Derrick/Lay Barge
Brazos Horizon	<u>USD 10,000,000</u>		2,225	210 x 70	Derrick Barge
	USD 235,125,000				

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*Aon Risk Services**Natural Resources
Group*HORIZON OFFSHORE CONTRACTORS, INC.SECTION 2 - PROPERTY/EQUIPMENTTo Be Confirmed/AgreedSection A (Provisional)

2500 City West Boulevard, Houston, Texas	USD 20,000,000
Sabine Pass Facility, Texas	
To be advised, Ciudad del Carmen, Mexico	
Port Arthur Yard Facility, Port Arthur, Louisiana	
24 Festival Road, Victoria Island, Lagos, Nigeria	
Singapore/Jarkata, South East Asia	

Section B (Provisional)

Miscellaneous Equipment	USD 10,000,000
	<hr/>
TOTAL	USD 30,000,000

War /Terrorism Schedule

USD 27,000,000

USD 3,000,000 (Indonesia)

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*Aon Risk Services**Natural Resources
Group*HORIZON OFFSHORE CONTRACTORS, INC.SECTION 3 – BUILDERS RISKS

Subject that all contracts with an Estimated Final Contract Value of greater than USD 2,000,000 are to be declared hereon.

PIPELINE PROJECTSNot exceeding 18" pipe and 500' of water:

Estimated Contract Value up to USD 5,000,000	2.25% on Final Contract Value.
Estimated Contract Value in excess of USD 5,000,000	3.00% on Final Contract Value.

Not exceeding 24" pipe and 500' of water:

Estimated Contract Value up to USD 5,000,000	2.70% on Final Contract Value.
Estimated Contract Value in excess of USD 5,000,000	3.60% on Final Contract Value.

Excess of 24" pipe and/or 500' of water:	To Be Agreed.
------------------------------------------	---------------

NON PIPELINE PROJECTS

1.875% on Final Contract Value

DEDUCTIBLES (ACROSS ALL PROJECTS)

USD 2,500,000 any one accident or occurrence.

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*Aon Risk Services**Natural Resources
Group***HORIZON OFFSHORE CONTRACTORS, INC.****NAMED ASSURED**

Horizon Offshore, Inc.
 Horizon Offshore Contractors, Inc.
 Horizon Vessels, Inc.
 Horizon Offshore Contractors Ltd
 Horizon Offshore International Ltd
 Horizon Offshore (Nigeria) Ltd
 Horizon Group LDC
 Elliot Associates, LP or Affiliates
 Westgate International, L.P. and Affiliates
 Horizon/Cal Dive Joint Venture (to be agreed)
 ECH Offshore S.A. de R.L. de C.V.
 HOC Offshore S.A. de R.L. de C.V.
 HorizEn L.L.C.
 Tiburon S.A. de R.L. de C.V.
 Horizon Vessels International Ltd.
 PT Horizon Marine Construction Indonesia

Inactive or Former Entities:

Horizon Marine International, Inc.
 Horizon Offshore L.L.C.
 HLS Offshore L.L.C. doing business as HLS International Companies
 Highwood Associates, Inc.
 HLS Offshore Inc.
 Horizon Subsea Services, Inc.
 DSND Horizon L.L.C.

or as their interests may appear and their affiliated, subsidiary and interrelated companies, and/or co-venturers and/or operators as charterer as may now, heretofore or hereafter exist and having an interest hereunder at the time of happening of any loss, as their respective rights and interests do appear and/or any executive officer, employee, director or stockholder thereof while acting within the scope and/or course of their duties as such and/or as expiring and/or as may be agreed.

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Aon Risk Services

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CIT Group/Equipment Financing, Inc. as Mortgagees are named hereon as additional insureds and loss payees as their interests may appear, subject to Loss Payable Clause as expiring.

GMAC Business Credit, LLC its successors and/or assigns are added as loss payees hereon in respect of vessel "Sea Horizon".

General Electric Capital Corp. are added as loss payees hereon in respect of vessel "Pecos Horizon".

HORIZON OFFSHORE CONTRACTORS, INC.

CHEVRON INDEMNITY CLAUSE

It is hereby noted and agreed that in respect of Assured's operations with Chevron USA Inc. the deductible(s) are amended to USD 25,000 any one accident or occurrence subject Assured indemnifying Underwriters hereon at the time of settlement, for the difference between the above amount and the previously agreed deductibles hereon in the event of a claim.

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June 28, 2002

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Aon Risk Services

*Natural Resources
Group*

SECTION 3 – Scope of Work

As follows each declaration or as may be agreed by Leading Underwriters:

The scope of Marine Warranty Survey work will require the Warranty Surveyor to assess the following items for a pipeline installation or to be agreed:

1. **Transportation of Pipe**
Review and approve and/or attend:
Barge and Tug suitability survey (sometime "waived", or nominally surveyed when the particular barge is known to the Warranty Surveyor)
Barge stability and bollard pull requirement
Barge ballast arrangement and longitudinal strength (waived when adequacy of barge strength is obvious).
Sea-fastening design
Pipe loading and uploading
Pipe barge sailaway
2. **Pipelaying procedures**
Review and approve:
Weather monitoring
Pipe coat specification
Mooring of barge
Pipe tension versus water depth for a specific diameter of pipe
Shut down based on limiting sea state
3. **Pipe Laying**
Attendance:
Warranty Surveyor mariners may attend a few of the following operations (depending on size and scope of job):
 - a) Shore Pull
 - b) Normal pipe lay
 - c) Tie-in
 - d) Trenching
 - e) Pipeline crossing
 - f) Other critical operations

To be agreed James Miller (Zurich Specialties London Limited)

ARS-TX 0034



"Bill Arnold"
<Barnold@horizonoffshore.com>

02/28/2003 04:19 PM

To: <Jim_Montano@ars.aon.com>
cc: <Bruce_Jefferis@ars.aon.com>, <Marjorie_Goodall@ars.aon.com>, "Bill Gibbens" <Bgibbens@horizonoffshore.com>
Subject: Claim notice

Jim,

Please inform our P&I underwriters that on 2/27/03 at approximately 20:15 EST the Gulf Horizon was performing pipe burial operations as part of a pipe lay project when an anchor cable parted and allegedly damaged a sub-sea power cable owned by the New York Power Authority. The specifics of the incident are still being gathered.

Thanks and regards,

Bill

ARS-TX 0035

VIA FAX



Aon Natural Resources
 1330 Post Oak Boulevard, Suite 900
 Houston, Texas 77056
 Telephone: (832) 476-6000; Telefax: (832) 476-6590

REPORT OF LOSS ON: Protection & Indemnity DATE: March 4, 2003

To:	<u>COMPANY</u>	<u>POLICY NO.</u>	<u>INTEREST</u>
	Associated Electric & Gas Insurance Services Limited (AEGIS), Hamilton, Bermuda per Origin Limited, London, U.K. c/o JLT Risk Solutions Limited London, England, U.K. Attn: Mr. Simon Dawes	ARS-3175	100%

Please accept notice of the following casualty which may result in a claim for: Damage to Property

Name of the Assured: Horizon Offshore, Inc. and Horizon Offshore Contractors, et al.

Policy Inception: 2/20/02 Date of Casualty: 2/27/03 Policy Expiration: 5/1/03

Insured Vessel: GULF HORIZON Limit of Liability \$ 950,000 O. A. O.

Excess of: \$ 50,000 Deductible: \$ N/A AAD: \$ N/A Stop Loss: \$ N/A

Place where casualty occurred: Long Island Sound, NY

Nature of Casualty: Whilst performing pipelaying operations (pipe burial) the insured vessel's anchor cable parted and allegedly damaged a sub-sea power cable owned by the New York Power Authority.

Estimated amount of entire loss \$ (unknown) Excess \$ N/A

Instructed: _____

Remarks: Details of casualty and developments will be reported in due course.

Claim #: 03-M5058 Producer: BJ Claims Made: No

Client's Claim #: _____

by: _____

James I. Montano

If you have any instructions to give, please advise us promptly.

PLEASE ACKNOWLEDGE RECEIPT BY SIGNING AND RETURNING A COPY OF THIS NOTICE

Signature: _____

\\usthou2k1\shared\BUSINESS UNITS\ANR\Claims\Claims Shared\Horizon\03-M5058.doc-1

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ARS-TX 0036



JLT RISK SOLUTIONS
Limited

To Karen Cooper
Company Aon Risk Services of Texas Inc
Fax No 0018324786510

8 Crutched Friars
London EC3N 2PH
Telephone 020 7528 4000
Direct Line 020 7558 3641
Facsimile 020 7558 3734

Date 5 March 2003
From Terry Cornick
Claims Unit

No. of Pages
inc. front sheet 1

Facsimile

Init:	
Ref:	18048

Assured : HORIZON OFFSHORE INC.

"GULF HORIZON" anchor cable damaged sub-sea cable owned by New York Power
Authority - 27th February 2003.

Our ref : LG0280741 / 002

Referring to the above matter thank you for your fax of the 4th March 2003.

This information has been forwarded to the Club and we await further developments in due course.

Kind regards
Terry Cornick

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ARS-TX 0037



Simon_Dawes@JLTGroup.Com

03/11/2003 04:31 AM

To: Jim_Montano@ars.aon.com
cc: Mike_Roberts@JLTGROUP.COM
Subject: RE: Horizon/GULF HORIZON/Dmg to Power Cable/27 Feb 03

Jim,

Please note that this loss was passed to Mike Roberts in our P&I area for handling. By copy of this message I am requesting he respond to your inquiry.

Best regards
Simon

-----Original Message-----

From: Jim_Montano@ars.aon.com [mailto:Jim_Montano@ars.aon.com]
Sent: 10 March 2003 23:08
To: Simon_Dawes@JLTGroup.Com
Subject: Horizon/GULF HORIZON/Dmg to Power Cable/27 Feb 03

Simon,
Our ROL of March 4 refers. Pls be advised owner of damaged power cable has invited Assured to attend repairs. Pls notify underwriters to determine if they wish to appoint someone on their/assured's behalf.
Regards,
Jim

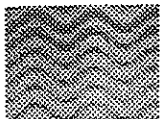
JLT Risk Solutions Ltd
6 Crutched Friars, London EC3N 2PH. Co Reg No 1536540
Tel: (44) (0)20 7528 4000 Fax: (44) (0)20 7528 4500
<http://www.jltgroup.com>
Lloyd's Broker. Regulated by the General Insurance
Standards Council

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Opinions, conclusions and other information in this e-mail that do not relate to the official business of JLT Risk Solutions Ltd shall be understood as neither given nor endorsed by it. Please note we intercept and monitor incoming / outgoing e-mail and therefore you should neither expect nor intend any e-mail to be private in nature.

We have checked this e-mail for viruses and other harmful

ARS-TX 0038



Jim Montano

03/13/2003 04:36 PM

To: Mike_Roberts@JLTGroup.Com
cc: Simon_Dawes@JLTGroup.Com, Karen
Cooper/TX/ARS/US/AON@AONNA
Subject: Horizon Offshore/Damage to Power Cables/ 6 Nov 02 and 27 Feb 03

Mike,

Pls be advised that I will be your contact with respect to both of the claims noted above. Our Karen Cooper will continue to handle the file relative to the g.l. coverage on the first incident and we will coordinate our activities. The g.l. is not involved in the latter incident.

With respect to the first incident and the club's queries, let's discuss. I will call you tomorrow (14 March).

With respect to the second incident, I have sent you information regarding the retention of a cable repair expert and await the Club's advices on doing so. Also, I have your email to Karen dated today with questions posed by the Club. First, yes, this incident occurred on the same project as the incident involving the MR. SONNY. The incident has been investigated and I will, by separate correspondence, be sending you something on that. I also see that the Club has been notified directly by NYPA, the owner of the damaged cable. As to Thales' involvement in this incident, I don't think that they should be since this is a direct vessel liability. In addition, as noted above, Horizon does not believe its g.l. cover applies to this incident. If any questions, we'll discuss when I call.

Regards,
Jim

ARS-TX 0039

6
1

VIA FAX



Aon Natural Resources
 1330 Post Oak Boulevard, Suite 900
 Houston, Texas 77056
 Telephone: (832) 476-6000; Telefax: (832) 476-6582

REPORT OF LOSS ON: Excess P & I DATE: April 18, 2003

To:	<u>COMPANY</u>	<u>POLICY NO.</u>	<u>INTEREST</u>
	The Steamship Mutual		
	Underwriting Association (Bermuda) Ltd.	ARS-3176	100.0%
	c/o JLT Risk Solutions Limited		
	Attn: Terry Cornick		

Please accept notice of the following casualty which may result in a claim for: Damage to Property

Name of the Assured: Horizon Offshore, Inc. and Horizon Offshore Contractors, et al.

Policy Inception: 02/20/02 Date of Casualty: 2/27/03 Policy Expiration: 5/1/03

Insured Vessel: GULF HORIZON Limit of Liability \$ Per Rules

Excess of: \$ 1,000,000 Deductible: \$ 50,000 AAD: \$ 15,000,000 Stop Loss: \$ N/A

Place where casualty occurred: Long Island Sound, NY

Nature of Casualty: Whilst performing pipelaying operations (pipe burial) the insured vessel's anchor cable parted and allegedly damaged a sub-sea power cable owned by the New York Power Authority.

Estimated amount of entire loss \$ 1,000,000 Excess \$ 1,000,000

Assured have Instructed Lyons, Skoufalos, Projos & Flood, LLP to represent their interests.

Remarks: Our email message of 16 April 2003 refers.

Claim #: 03-M5058-X Producer: BJ Claims Made: No

Client's Claim #: _____

by: James I. Montano

If you have any instructions to give, please advise us promptly.

PLEASE ACKNOWLEDGE RECEIPT BY SIGNING AND RETURNING A COPY OF THIS NOTICE

Signature: _____

Claim Number: _____

VIA FAX



Aon Natural Resources
 1330 Post Oak Boulevard, Suite 900
 Houston, Texas 77056
 Telephone: (832) 476-6000; Telefax: (832) 476-6582

REPORT OF LOSS ON: Excess Liabilities DATE: May 21, 2003

To:	<u>COMPANY</u>	<u>POLICY NO.</u>	<u>INTEREST</u>
	American Home Assurance Company	ARS-3177	100.0%
	via American International Marine Agency		
	Attn: Jack Molkentin		

Please accept notice of the following casualty which may result in a claim for: Damage to Property

Name of the Assured: Horizon Offshore, Inc. and Horizon Offshore Contractors, et al.

Policy Inception: 02/20/02 Date of Casualty: 2/27/03 Policy Expiration: 5/1/03

Insured Vessel: GULF HORIZON Limit of Liability \$ 10,000,000

Excess of: \$ 1,000,000 Deductible: \$ N/A AAD: \$ N/A Stop Loss: \$ N/A

Place where casualty occurred: Long Island Sound, NY

Nature of Casualty: Whilst performing pipelaying operations (pipe burial) the insured vessel's anchor cable parted and allegedly damaged a sub-sea power cable owned by the New York Power Authority.

Estimated amount of entire loss \$ (unknown)

Assured have Instructed Lyons, Skoufalos, Proios & Flood, LLP to represent their interests.

Remarks: Primary carrier AEGIS have posted policy limit reserve. Additional information to follow.

Claim #: 03-M5058-X Producer: BJ Claims Made: No

Client's Claim #: _____

by:

James I. Montano

If you have any instructions to give, please advise us promptly.

PLEASE ACKNOWLEDGE RECEIPT BY SIGNING AND RETURNING A COPY OF THIS NOTICE

Signature: _____

Claim Number: _____

ARS-TX 0041



Aon Natural Resources
 1330 Post Oak Boulevard, Suite 900
 Houston, Texas 77056
 Telephone: (832) 476-6000; Telefax: (832) 476-6582

REPORT OF LOSS ON: Excess Liabilities DATE: July 16, 2003

To:	<u>COMPANY</u>	<u>POLICY NO.</u>	<u>INTEREST</u>
	XL Specialty Insurance Company (PMEX857027)		
	via Brockbank Insurance Services, Inc.	ARS-3215	20.00%
	Liberty Insurance Underwriters (NY039204002)		25.00%
	American Home Assurance Company (C1769)		26.43%
	via American International Marine Agency, Inc.		
	Navigators Insurance Company (02L1799-01)		28.57%
	via Navigators Insurance Services of Texas, Inc.		100.00%

Please accept notice of the following casualty which may result in a claim for: Property Damage

Name of the Assured: Horizon Offshore, Inc. and Horizon Offshore Contractors, et al.

Policy Inception: 04/09/02 Date of Casualty: 2/27/03 Policy Expiration: 5/1/03

Insured Vessel: GULF HORIZON Limit of Liability \$ 140,000,000

Excess of: \$ 10,000,000 Deductible: \$ N/A AAD: \$ N/A Stop Loss: \$ N/A

Place where casualty occurred: Long Island Sound, NY

Nature of Casualty: Whilst performing pipelaying operations (pipe burial) the insured vessel's anchor cable parted and allegedly damaged a sub-sea power cable owned by the New York Power Authority.

Estimated amount of entire loss \$ (Unknown) Excess \$ _____

The Assured Instructed attorneys Lyons, Skoufalos, Proios & Flood, to investigate. Additional information to follow.

Remarks: _____

Claim #: 03-M5058-XA Producer: BJ Claims Made: No

Client's Claim #: _____

by: _____

James I. Montano

If you have any instructions to give, please advise us promptly.

PLEASE ACKNOWLEDGE RECEIPT BY SIGNING AND RETURNING A COPY OF THIS NOTICE

Signature: _____

Claim Number: _____


Aon Natural Resources Group

1330 Post Oak Boulevard, Suite 900

Houston, Texas 77056

Telephone: (832) 476-6000;

Fax: (800)953-4542 in US / (847)953-4178 outside US

REPORT OF LOSS ON:
Marine Package/Hull & Machinery
DATE: May 17, 2004

To: <u>SECURITY</u> Underwriters at Lloyd's and Insurance Companies c/o JLT Risk Solutions Limited Continental Insurance Company via Marine Office of America/CNA American Employers Insurance Company Fireman's Fund Insurance Company Market Insurance Company Royal Insurance Company via Gulf Coast Marine Inc.	POLICY NO. ARS-3246 Section 1A	INTEREST 90.0% 5.0% 1.5% 1.3% 1.7% 0.5% 100.0%
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------	------------------------------------------------------------------------------------

 Please accept notice of the following casualty which may result in a claim for: Collision Liability

 Name of the Assured: Horizon Offshore Contractors, Inc.

 Policy Inception: 05/01/02 Date of Casualty: 02/27/03 Policy Expiration: 05/01/03 Form: A.I.H.C. (6/2/77)

 Insured Vessel: GULF HORIZON Insured Value: \$ 15,200,000

 Excess of: \$ N/A Deductible: \$ 500,000 AAD: \$ 1,500,000 Stop Loss: \$ N/A

 Place where casualty occurred: Long Island Sound, NY

 Nature of Casualty: Whilst performing pipelaying operations (pipe burial) the insured vessel's anchor cable parted and allegedly damaged a sub-sea power cable owned by the New York Power Authority.

 Gross estimated amount of entire loss: \$ Unknown Net to Excess: \$ N/A

 Assured have Instructed: Adams & Reese to defend claims.

 Remarks: Loss initially reported to P & I, C.G.L and Excess insurers. File material to follow. Assured has filed for Limitation of Liability in Houston.

 Aon Claim #: 03-M5058-A Relationship Manager: B.J. Claims Made: No

Client's Claim #: _____

by:

James I. Montano

If you have any instructions to give, please advise us promptly.

PLEASE ACKNOWLEDGE RECEIPT BY SIGNING AND RETURNING A COPY OF THIS NOTICE

Signature: _____

Claim Number: _____

MAY-17-2004 15:20 FROM AON .JK SERVICES HOUSTON TO GULF CO MAR



Aon Natural Resources Group

1330 Post Oak Boulevard, Suite 900
Houston, Texas 77056
Telephone: (832) 476-6000;
Fax: (800)953-4542 in US / (847)953-4178 outside US

REPORT OF LOSS ON:

Marine Package/Hull & Machinery

DATE: May 17, 2004

To:

SECURITY
Underwriters at Lloyd's and Insurance
Companies
c/o JLT Risk Solutions Limited
Continental Insurance Company via Marine
Office of America/CNA
American Employers Insurance Company
Fireman's Fund Insurance Company
Market Insurance Company
Royal Insurance Company via Gulf Coast
Marine Inc.

POLICY NO.
ARS-3246
Section 1A

INTEREST
80.0%

5.0%

1.5%

1.3%

1.7%

0.5%

100.0%

Policy Hand

Please accept notice of the following casualty which may result in a claim for:

Collision Liability

Name of the Assured: Horizon Offshore Contractors, Inc.

Policy Inception: 05/01/02 Date of Casualty: 02/27/03 Policy Expiration: 05/01/03 Form: A.I.H.C. (8/2/77)

Insured Vessel: GULF HORIZON Insured Value: \$ 15,200,000

Excess of: \$ N/A Deductible: \$ 500,000 AAD: \$ 1,500,000 Stop Loss: \$ N/A

Place where casualty occurred: Long Island Sound, NY

Nature of Casualty: Whilst performing pipelaying operations (pipe burial) the insured vessel's anchor cable parted and allegedly

damaged a sub-sea power cable owned by the New York Power Authority.

Gross estimated amount of entire loss: \$ Unknown Net to Excess: \$ N/A

Assured have Instructed: Adams & Reese to defend claims.

Remarks: Loss initially reported to P & I, C.G.I. and Excess Insurers. File material to follow. Assured has filed for Limitation of Liability

In Houston.

Aon Claim #: 03-M5068-A

Relationship Manager: B.J.

Claims Made: No

Client's Claim #:

by:

James I. Montano
James I. Montano

If you have any instructions to give, please advise us promptly.

PLEASE ACKNOWLEDGE RECEIPT BY SIGNING AND RETURNING A COPY OF THIS NOTICE

Signature:

Claim Number:

X:BUSINESS UNIT:ANACALMA:Claim Shared:Horizon:Loss Notice:03-M5068-A-000-1

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TOTAL P.01

ARS-TX 0044



Aon Natural Resources Group

1330 Post Oak Boulevard, Suite 900

Houston, Texas 77056

Telephone: (832) 476-6000;

Fax: (800)953-4542 in US / (847)953-4178 outside US

REPORT OF LOSS ON:

Marine Package/Hull & Machinery

DATE: May 17, 2004

To:	SECURITY	POLICY NO.	INTEREST
Underwriters at Lloyd's and Insurance Companies		ARS-3246	90.0%
c/o JLT Risk Solutions Limited		Section 1A	
Continental Insurance Company via Marine Office of America/CNA			5.0%
American Employers Insurance Company			1.5%
Fireman's Fund Insurance Company			1.3%
Market Insurance Company			1.7%
Royal Insurance Company via Gulf Coast Marine Inc.			0.5%
			100.0%

Please accept notice of the following casualty which may result in a claim for: Collision Liability

Name of the Assured: Horizon Offshore Contractors, Inc.

Policy Inception: 05/01/02 Date of Casualty: 02/27/03 Policy Expiration: 05/01/03 Form: A.I.H.C. (6/2/77)

Insured Vessel: GULF HORIZON Insured Value: \$ 15,200,000

Excess of: \$ N/A Deductible: \$ 500,000 AAD: \$ 1,500,000 Stop Loss: \$ N/A

Place where casualty occurred: Long Island Sound, NY

Nature of Casualty: Whilst performing pipelaying operations (pipe burial) the insured vessel's anchor cable parted and allegedly damaged a sub-sea power cable owned by the New York Power Authority.

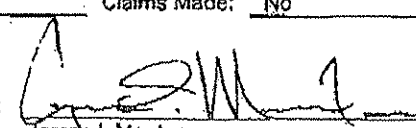
Gross estimated amount of entire loss: \$ Unknown Net to Excess: \$ N/A

Assured have Instructed: Adams & Reese to defend claims.

Remarks: Loss initially reported to P & I, C.G.I. and Excess insurers. File material to follow. Assured has filed for Limitation of Liability in Houston.

Aon Claim #: 03-M5058-A Relationship Manager: B.J. Claims Made: No

Client's Claim #:

by: 
James I. Montano

If you have any instructions to give, please advise us promptly.

PLEASE ACKNOWLEDGE RECEIPT BY SIGNING AND RETURNING A COPY OF THIS NOTICE

Signature: 

Claim Number: M4005714

X:\BUSINESS UNITS\NA\Claims\Claims Shared\Horizon\Loss Notices\03-M5058-A.doc-1

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TOTAL P.01

ARS-TX 0045